

Message Text

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43

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E.O. 11652: N/A ---- TAGS: EINV, IT

SUBJECT: AMERICAN SUBSIDIARIES IN NAPLES: RECENT LABOR DEVELOPMENTS

REF: A. NAPLES 1018 B. NAPLES 734 C. NAPLES 617

1. SUMMARY. PROSPECTS ARE MIXED FOR RESOLUTION OF THE LABOR PROBLEMS OF AMERICAN SUBSIDIARIES IN NAPLES: A) RICHARDSON-MERRELL MANAGEMENT AND WORKERS HAVE REACHED AN APPARENT IMPASSE OVER RE-HI WORKERS, DESPITE GOI PARTICIPATION IN NEGOTIATIONS; B) THE DECISION BY SPERRY SUD TO SWITCH PRODUCTION TO A NEW ELECTRIC TYPEWRITER HAS RESOLVED THE PROBLEM THERE; C) LITTLE PROGRESS HAS BEEN MADE TOWARD ENDING THE EIGHT-MONTH OCCUPATION OF THE GENERAL INSTRUMENT L ANT; AND D) TEXAS INSTRUMENTS WORKERS HAVE AGREED TO ANOTHER PERIOD OF REDUCED WORKTIME, WHILE EMPLOYEES OF 3M AND PENNITALIA

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(PPG) CONTINUE THEIR DIMINISHED SCHEDULES. END SUMMARY.

2. WORKERS MEETING AT THE RICHARDSON-MERRELL (R-M) PLANT ON SEPTEMBER 17 REJECTED THE PROPOSAL ADVANCED THE WEEK BEFORE BY MINISTER ANDREOTTI (REF A). THEY CLAIMED THAT PLACING THE 381 DISMISSED EMPLOYEES UNDER CASSA INTEGRAZIONE WOULD CONSTITUTE DISCRIMINATION BETWEEN "ILLEGALLY" FIRED WORKERS AND ALL OTHERS, THAT THE LAYOFF OF THE ENTIRE RESEARCH DEPARTMENT WOULD BE A DE FACTO REDUCTION AND RESTRUCTURING OF THE PLANT, AND THAT R-M HAS NOT CHANGED ITS INTENTION TO LIQUIDATE THE OPERATION. A SECOND LIMITED OFFICIAL USE

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GOI/WORKERS MEETING IN ROME ON OCTOBER 1 RESULTED IN AN "AGREEMENT"

HAILED BY THE WORKERS; PROVISIONS INCLUDED FIFTEEN MONTHS OF CASSA INT. COMPENSATION FOR 381 WORKERS, BUT ON A ROTATING BASIS INVOLVING VIRTUALLY ALL R-M EMPLOYEES AND A GUARANTEE (BY THE GOI) THAT NO PART OF THE OPERATION WOULD BE LIQUIDATED NOR WOULD ANY POSITIONS, INCLUDING IN THE RESEARCH DEPARTMENT, BE ELIMINATED.

3. LOUIS HERNANDEZ, R-M GENERAL MANAGER, HOWEVER, TOLD ECONCOMM OFFICER OCTOBER 2 THAT THIS AGREEMENT WAS "A MASS OF DOUBLETALK" AND THAT THE SITUATION WAS NO NEARER RESOLUTION THAN BEFORE. THE ANNOUNCEMENT IN ROME DID NOT CONFORM TO ANDREOTTI'S PROMISE TO HERNANDEZ AND TO THE CONSUL GENERAL THAT THE GOI WOULD FIND

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ALTERNATE EMPLOYMENT FOR THE 381, WHO WOULD THEREFORE NOT RETURN TO THE R-M PLANT FOLLOWING THE 15 MONTH CASSA INT. PERIOD (IN ANY EVENT A SCHEME WHICH ANDREOTTI WOULD FIND DIFFICULT TO PRESENT PUBLICLY). AS MATTERS STAND, HERNANDEZ SAYS R-M CANNOT ACCEPT THE PROPOSAL AS PRESENTED; HE HAS SO INFORMED ALL PARTIES CONCERNED. THE COMPANY ITSELF NOW INTENDS TO PROCEED WITH FORMAL LIQUIDATION AT ITS OCTOBER 15 SHAREHOLDERS MEETING. HERNANDEZ WAS NOT SURE WHAT WOULD HAPPEN NEXT, ALTHOUGH HE SUGGESTED THE LIKELIHOOD OF SOME KIND OF DIRECT GOI INTERVENTION TO KEEP THE PLANT OPERATING, WITH OR WITHOUT R-M PARTICIPATION.

4. SPERRY SUD GENERAL MANAGER CARLO ROSSI HAS INFORMED ECONCOMM OFFICER THAT U.S. MANAGEMENT HAS GIVEN FINAL APPROVAL FOR CHANGE IN PRODUCTION TO A MODERN ELECTRIC TYPEWRITER, THUS EXTENDING THE LIFE OF THE ENDANGERED NAPLES FACTORY. THE CURRENT TIMETABLE, WHICH HAS UNION APPROVAL, CALLS FOR THE GRADUAL RE-ABSORPTION OF THE 220 WORKERS NOW ON CASSA INT. BY MARCH, 1977, WHEN FULL PRODUCTION OF THE NEW PRODUCT WILL BE ACHIEVED.

5. GENERAL INSTRUMENT MANAGING DIRECTOR MARCELLO CORRADETTI REPORTED THAT THERE HAS BEEN LITTLE PROGRESS TOWARD ENDING THE EIGHT-MONTH OCCUPATION OF THE GI NAPLES PLANT. HE ADDED THAT THE RECENT

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OCCUPATION OF THE GI OFFICE IN MILAN BY NEAPOLITAN WORKERS WAS LITTLE MORE THAN A NUISANCE, SINCE COMPANY EMPLOYEES IN MILAN HAD LIMITED OFFICIAL USE

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REJECTED PARTICIPATION IN ANY WORKER ACTION AGAINST THE FIRM. CORRADETTI EXPECTED THE VISITORS FROM NAPLES TO BE EJECTED SHORTLY.

6. STATUS REMAINS UNCHANGED AT THREE OTHER PLANTS; A) 3M: MOST EMPLOYEES AT MAGNETIC TAPE DIVISION WILL CONCLUDE APPROXIMATELY 8 WEEKS ON CASSA INT. ON OCTOBER 20; ABOUT THAT TIME WORKERS AT THE POLYESTER DIVISION WILL GO ON CASSA INT. FOR THREE MONTHS; B) PENNITALIA (PPG): TWO-THIRDS OF WORK FORCE REMAINS ON CASSA INT.; THE REDUCED SCHEDULE BEGAN MAY, 1975, AND WILL CONTINUE UNTIL

MAY, 1976. COLANTONIO

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